



Power Cost Adjustment (PCA)

As described in the September 2022 issue, we are experiencing external pressures on our wholesale power costs among other economic factors such as supply chain and inflation that are all out of our control. The budgeted amounts for power costs and construction expenses were more than expected.

At a distribution utility level, not only are everyday items we need for new construction and maintenance on short supply but at a significantly higher price. Transformers and meter bases are necessary to our daily function. Transformers used to take on average 2-4 weeks and are now taking 3-6 months, about 4 times longer. Meter bases, that we give out to our membership for new services, used to take 1 month are now out 1 year, nearly 12 times longer. We are seeing material pricing increases from 10 to 500%. This is concerning to all utilities as a whole and therefore many are ordering more, putting additional pressures on suppliers. Due to scarcity concerns, increased pricing and longer lead times, we have increased our warehouse material and supply here at EECA. What used to be a \$435,000 warehouse value of supplies pre-COVID is now nearly \$1.2M – 25% more inventory with double the cost. In fact, one of our suppliers let us know at the beginning of November to budget a 50% increase in supplies across the board for 2023.

As a wholesale power purchaser, our cost of power as a percentage of revenue – what we pay our power generation & transmission cooperative, Southern Illinois Power Cooperative (SIPC), was 61% last year. We started the year with strong positive margins but

have acknowledged a negative margin in the last 5 of 9 months. To-date, our cost of power is on track to exceed 65% for 2022, currently absorbing these increased costs in real time.

SIPC is dealing with similar but different issues. Fuel to fire the generation of electricity in Marion, such as coal, makes up 80% of their over \$100M yearly budget. In 2021 and prior, coal was approximately \$40/ton, where today it is well over \$200/ton. They are currently able to gradually raise our prices due to power they are able to sell in the market, at an almost all-time high, as well as deferred revenue from previous years. The energy market was in a decade-long stretch of low

for October usage, the PCA on the November bills will be raised to match the additional PCA charges we are projected to receive from SIPC, to keep intact the financial integrity of the cooperative.

The PCA was created to fluctuate to balance these variable costs. As of today, we are considering these costs as variable, with no real data to build permanently into our rate structure.

In 2020 we were able to reduce the residential rate for electricity by 1.9%, and lowered again by an additional 1.5% in April of 2021, for a total of a 3.4% reduction.

As a cooperative, our mission is to provide safe, affordable, and reliable

PCA	Usage Month	Billed Month
\$0.0060	October Usage	November Bills
\$0.0060	November Usage	December Bills
\$0.0080	December Usage	January Bills
\$0.0095	January Usage	February Bills
\$0.0105	February Usage	March Bills
\$0.0115	March Usage	April Bills

wholesale power market prices. Since then, energy prices have increased at percentages in the U.S. and around the world that have not been seen since the 1980s.

These additional costs to us are built into a power cost adjustment (PCA) line on our monthly bill from SIPC each month.

In September, we discussed how the PCA on your bill would be increasing from \$0.002 per kilowatt-hour (kWh) to \$0.004/kWh. For the average home of 1,800 kWh, the additional PCA would be \$3.60 per month. Effective

power to you. Our cooperative and our board of directors are committed to this mission and to those in our communities. We continue to adapt to evolving circumstances and will continue to keep you informed along the way. As being a member of the cooperative, any margins at the end of the year will be allocated back to the membership and in future years paid back in patronage dividends.

What to expect: When our consumer-members received their November bill, they saw a PCA charge of \$0.006. For members that use 1,000 kWh that

Continued on page 18B ▶



Egyptian Electric
Cooperative Association
Your Touchstone Energy® Cooperative 

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Business hours/After hours
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24/7 Automated Pay-by-Phone
844-759-3977

Office hours 8 a.m. – 4:00 p.m. M-F
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- By phone at (844) 759-3977, using credit card or checking account
- Off-site kiosks located at 2301 N Reed Station Pkwy in Carbondale and 1306 N Market in Sparta

"Power cost adjustment" continued from page 18A

is an additional amount of \$2.00, for a total amount of \$6.00 per 1,000 kWh. This amount is variable to the amount of energy you use. This PCA line will continue to gradually increase until more questions are answered on longer term projections. A table of EECA's preliminary plan to contend with these rising costs is included on page 18A.

As we continue to address rising costs, our plan is to ensure that you stay informed. We plan to only pass along increased costs to us to the membership. This is only a plan and is subject to change as our costs continue and scenarios continue to change around us.

Energy Efficiency Tip of the Month

Blocked air vents force your heating system to work harder than necessary and increase pressure in the ductwork, which can cause cracks and leaks to form.

Make sure all air vents are unobstructed from furniture, drapes or other items to ensure sufficient circulation throughout your home. If necessary, purchase a vent extender, which can be placed over a vent to redirect air flow from underneath furniture.

Source: energy.gov

IEC scholarships

Fourteen IEC memorial academic scholarships will be awarded again to high school seniors this school year. Each scholarship is worth \$2,000. Deadline to apply online is December 31, 2022.

9 scholarships are awarded to students who are the sons or daughters of an Illinois electric cooperative member receiving service from the cooperative.

4 scholarships are reserved for students enrolling full-time at a two-year Illinois community college who are the sons or daughters of Illinois electric cooperative members, employees or directors. **49-23-0042**

1 scholarship, the Earl W. Struck Memorial Scholarship, is awarded to a student who is the son or daughter of an Illinois electric cooperative employee or director.

Information has been shared with area high school guidance counselors. For more information or to apply online, go to:

<https://aiec.coop/iec-scholarship/?coop=EGT>

MEMBER PRIZES

Every month we will have three map location numbers hidden throughout our Egyptian Electric News section. If you find your location number, that corresponds to the one on your bill, call our office and identify yourself and the page that it is on and you will win a \$10 credit on your next electric bill.

LIHEAP

The Low-Income Home Energy Assistance Program (LIHEAP) is a heat and electric assistance program through the state of Illinois that is a benefit payment program, per heating season, that is intended to help with a portion of a qualified household's heating and electric costs.

The benefit amount depends on household size, income and energy costs where the benefit is applied as a credit directly to the household's Egyptian Electric account. Qualifications are based on income and household size, if your household's combined income is at or below the levels shown on this chart. **16-36-0001** To apply for assistance, go to helpillinoisfamilies.com for the online application or contact your local administering agency at the applicable phone number below. Applications for the 2023 LIHEAP season are available through May 31, 2023, or until funding is exhausted.

Are you eligible? If your household income is within 200% of the federal poverty level for the 30 days prior to the application (gross income for all household members, before taxes are deducted) you could be eligible.

*Illinois LIHEAP
income guidelines for the
2022–2023 heating season*

Family Size (total # in household)	30-day Income	Annual income
1	\$2,265	\$27,180
2	\$3,052	\$36,620
3	\$3,838	\$46,060
4	\$4,625	\$55,500
5	\$5,412	\$64,940
6	\$6,198	\$74,380

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|---|---|
| Jackson/Perry/Randolph/Monroe Counties . 618/965-3458 | Williamson/Franklin Counties 618/937-3581 |
| St. Clair County 618/277-6790 | Union/Johnson Counties 618/634-2201 |
| Washington County 618/532-7338 | |



Key Accounts Luncheon

We conducted our third annual Key Accounts Luncheon, after a two-year COVID hiatus, on Thursday, Oct. 13, 2022, at the Southern Illinois Airport Authority. We had eight of our largest accounts in attendance to discuss cost, reliability and challenges. St. Nicholas MDH catered the event that began at 11:30 a.m. and concluded at 1:30 p.m. Don Gulley, CEO of Southern Illinois Power Cooperative (SIPC), Shane Hermetz, EECA executive vice president/general manager, and Brad Austin, EECA engineering manager were joined for a panel to discuss challenges the utility industry is facing, inflation, supply chain, and rising costs. Thank you to those who attended and we look forward to next year's event.



Youth Tour 2023

For over 56 years, more than 50,000 young Americans have taken advantage of the Electric Cooperative Youth Tour offered by their local electric cooperatives. At least 1,500 high school students will be invited to Youth Tour 2023!

Each June, hundreds of electric co-ops across the country send participants to Washington, D.C. for a chance to learn about the cooperative business model and a full week of sightseeing. While in D.C., participants have a chance to meet with their elected officials and discuss the issues that are important back home. Without a doubt, Youth Tour has grown into an invaluable program that gives young Americans an experience that will stay with them for the rest of their lives. **48-05-0017** This month we will begin the application process to select local students to attend Youth Day on March 29, 2023 and Youth Tour in June 2023.

If you are a high school sophomore, junior, or senior interested in traveling to Washington, D.C. to experience the trip of a lifetime, consider applying!

At most eight students will be chosen to attend the all-expense paid bus trip to Youth Day this spring to meet their elected senators and representatives at the State Capitol alongside their counterparts from other Illinois high schools and communities. From these students, at least two will be invited to attend the week-long trip to D.C. Youth Tour is so much more than a sightseeing trip. Students have repeatedly shared that this experience has helped them grow into successful professionals. Youth Tour participants return home with a deeper understanding and skillset of what it takes to be a leader. As a result, they put these skills to use right here in our community.

Help us find the next generation of leaders by sharing the Youth Tour opportunity with a promising student.



For more information about Egyptian Electric's Youth Tour program, call Brooke at 618-684-2143, email bguthman@eeca.coop, or visit bit.ly/2nZqPr5.